



STATE BOARD OF EQUALIZATION  
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State Controller, Sacramento

RAMON J. HIRSIG  
Executive Director

**STATE BOARD OF EQUALIZATION MEETING  
450 N Street, Room 121, Sacramento  
NOTICE AND AGENDA**

**Tuesday, April 12, 2005**

Agenda items occur sequentially. When circumstances warrant, the Chair may modify the order of the items on the agenda.

**BOARD COMMITTEE MEETING\* (convenes at 9:30 a.m.)**

**PROPERTY TAX COMMITTEE..... Mr. Parrish, Chairman**

1. Application of Proposition 13's Annual Inflation Adjustment to Properties Reconstructed Following a Disaster

**BOARD MEETING\*\* (convenes upon adjournment of the Board Committee Meeting)**

**P. OTHER ADMINISTRATIVE MATTERS**

**P1 SPECIAL PRESENTATIONS**

- Superior Accomplishment Award Program

**ORAL HEARINGS**

**A. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS**

- A1 Lawrence M. and Katherine S. Clark, 260879  
For Claimant: Lawrence M. Clark, Taxpayer  
For Franchise Tax Board: Suzanne Small, Tax Counsel
- A2 Jon E. Drury, 254324  
For Appellant: Jon E. Drury, Taxpayer  
For Franchise Tax Board: Jane Perez, Tax Counsel
- A3 Giuseppe Aiello, et al., 240658  
For Claimant: Harry Gordon Oliver, Attorney  
For Franchise Tax Board: Carl Joseph, Tax Counsel

**B. SALES AND USE TAX APPEALS HEARINGS**

- B1 Varsity Restaurants, Inc., 246328  
     For Petitioner: Jan A. Sullivan, Taxpayer  
                             Daniel H. Sullivan, Taxpayer  
     For Department: Bradley Heller, Tax Counsel
- B2 D'Anna Yacht Center, Inc., 188672, 198973  
     For Petitioner: Cris Wenthur, Representative  
                             Wayne D'Anna, Taxpayer  
     For Department: Anthony Epolite, Tax Counsel
- B3 Rosalie Wardell, 115009  
     For Petitioner: Rosalie Wardell, Taxpayer  
     For Department: Chris Schutz, Tax Counsel

**F. PUBLIC HEARING****F1 Property Taxes – State Assessee Presentations on Capitalization Rates & Other Factors Affecting Values.....Mr. Siu**

Board will hear: 1) state assessees' presentations on capitalization rates and other factors and procedures affecting 2005-06 values of California state-assessed public utilities and railroads; and, 2) private railroad car assessees' presentations on factors and procedures affecting 2005-06 taxable values of private railroad cars.

Speakers: Peter Michaels, Cooper, White & Cooper  
             State Assessed Gas/Electric, Intercounty Pipeline and Railroad Companies  
             Robert E. Dietrich, FMV Opinions, Capitalization Rates

**G. TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT****G1 Legal Appeals Matters .....Mr. Levine**

- Petitions for Rehearing
  1. Melanie C. Greer, 157817
  2. Charles and Lucille Lewis, 202683
  3. Gordana Samardzic, 195296

**G2 Franchise and Income Tax Matters..... Ms. Stanislaus**

- Decisions
  1. George Castaneda, 272601
  2. Marvin B. Edwards, 265362
  3. Sanford Fernandez, 262275
  4. Robert Frankson, 220802
  5. Gary Gwinn, 267558
  6. A. Sidney and Mavis S. Hanson, 267340

7. Earl W. Hauck, 268642
8. Douglas T. and Robin N. Richert, 268068
9. Leon S. Simon, 265455
10. Maria Teresa Tuason, 257675
11. Sam M. and Julie C. Yeh, 267572
- Petitions for Rehearing
12. A-C Compressor Corporation, 192031  
Dover Corporation, 192551  
Novacap, Inc., 192556
13. David and Judith A. Epstein, 249990
14. David and Elizabeth Kuhn, 246267
15. Rohr, Inc., 182100
16. Phillip R. and Patricia L. Roy, 239537

**G3 Homeowner and Renter Property Tax Assistance Matters ..... Ms. Stanislaus**

- Decisions
- 1. Andrea Blando, 283594
- 2. Susan D. Church, 281852
- 3. Alexandra K. DeKrassel, 281850
- 4. C. M. Lam, 287125
- 5. Charles C. Lesley, 287126
- 6. Hana Niv-Malmeth, 282930
- 7. Josephina Okai, 281147
- 8. Denise Claire Ritthaler, 268764
- 9. Socorro Roman, 282618
- 10. Joe Santiago, 263154
- 11. Madison Shelby, 263148
- 12. Barbara J. Smith, 284177

**G4 Sales and Use Taxes Matters ..... Ms. Henry**

- Redeterminations
- 1. New Cars, Inc., 262189
- 2. Data Comm Leasing Corporation, 149821
- 3. Silhouette Optical, LTD, 253700
- 4. General Datacomm, Inc., 146402
- 5. Suzanne E. Moller, 286868
- 6. Flaghouse, Inc., 244193
- Relief of Penalty
- 7. Gleamco Fine Arts, LLC, 299579
- 8. KBI Norcal, 299880
- 9. Ontario T., Inc., 296760
- Denial of Claim for Refund
- 10. United Power Corporation, 205923

**G5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds..... Ms. Henry**

- Credit and Cancellation
  1. Z-Point, Inc., 298686
- Refunds
  2. Victory Packaging, Inc., 213351
  3. Tom J. Smart, 298297
  4. Grafico, Inc., 244200
  5. Bergelectric Corporation, 297246
  6. Executive Car Leasing Company, 161294
  7. ICN Biomedicals, Inc., 258510
  8. Valeant Pharmaceuticals International, 258508
  9. The Walking Company, 294803
  10. Coast Insulation Contractors, Inc., 208021
  11. Renovizers, Inc., 298361
  12. Paccar, Inc., 254709
  13. Concerto Software, Inc., 259012
  14. Lexair 2001 Trust, 298625
  15. Wachovia Bank, National Association Trust, 250061
  16. Wachovia Bank, National Association Trust, 250062
  17. Wachovia Bank, National Association Trust, 250063
  18. Wachovia Bank, National Association Trust, 250057
  19. Wachovia Bank, National Association Trust, 250058
  20. Wachovia Bank, National Association Trust, 250059
  21. Wachovia Bank, National Association Trust, 250060
  22. Motel 6 Operating, LP, 251376
  23. Monterey Newspapers, Inc., 245358
  24. HBS International, Inc., 206152
  25. GA East Bay, Inc., 260531
  26. Ino Therapeutics, Inc., 261826
  27. Telesis Community Credit Union, 297267
  28. Consecro Finance Corporation, 207311
  29. See's Candy Shops, Inc., 203715
  30. See's Candies, Inc., 298237
  31. Oshkosh Truck Corporation, 294792
  32. Engelhard Corporation, 272783
  33. Beverly Ent-Distribution Services, Inc., 106884
  34. Mullen Brothers, Inc., 296978
  35. Calpine CA Equipment Finance, Company, 264514
  36. Pacific Marine Credit Union, 218197
  37. Spinnaker Networks, LLC, 253479

**G6 Special Taxes Matters ..... Mr. Gau**

- Relief of Penalty
  1. John Hancock Variable Life Insurance Company, 268872 – “CF”
  2. Republic Indemnity Company of California, 287701 – “CF”

- G7 Special Taxes Matters – Credits, Cancellations, and Refunds..... Mr. Gau**  
➤ Refund  
1. Circle K Stores, Inc., 299297

- G8 Property Tax Matters**  
*THERE ARE NO ITEMS FOR THIS MATTER*

**H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY**

- H1 Legal Appeals Matters**  
*THERE ARE NO ITEMS FOR THIS MATTER*

- H2 Franchise and Income Tax Matters**  
*THERE ARE NO ITEMS FOR THIS MATTER*

- H3 Homeowner and Renter Property Tax Assistance Matters**  
*THERE ARE NO ITEMS FOR THIS MATTER*

- H4 Sales and Use Taxes Matters**  
*THERE ARE NO ITEMS FOR THIS MATTER*

- H5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds..... Ms. Henry**  
➤ Credit and Cancellation  
1. Roofing Technology, 300538  
➤ Refunds  
2. Sheldon I. Ausman, 205053  
3. NationsBanc Leasing Corporation, 113329

- H6 Special Taxes Matters**  
*THERE ARE NO ITEMS FOR THIS MATTER*

- H7 Special Taxes Matters – Credits, Cancellations, and Refunds**  
*THERE ARE NO ITEMS FOR THIS MATTER*

- H8 Property Tax Matters**  
*THERE ARE NO ITEMS FOR THIS MATTER*

**I. TAX PROGRAM NONAPPEARANCE MATTERS - NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE**

- I1 Property Taxes Matters..... Mr. Gau**  
➤ Audits  
1. KMC Millennium, LLC, (7905) – “CF”  
2. KMC Funding Corporation (7962) – “CF”  
3. KMC Telecom XI, LLC (7963) – “CF”  
4. KMC Telecom XII, LLC (7987) – “CF”  
➤ Board Roll Changes  
5. 2003 and 2004 State-Assessed Property Rolls – “CF”

**CHIEF COUNSEL MATTERS****J. Rulemaking****Property Taxes..... Mr. Ambrose****J1** ~~Petition to Amend Property Tax Rule 462.180, Change in Ownership  
Legal Entities~~**K. Business Taxes***THERE ARE NO ITEMS FOR THIS MATTER***L. Property Tax..... Mr. Ambrose**

- Board Consideration of Findings and Decisions
  - L1 High Desert Power Trust 2000-A (1127), 267687

**M. Other Chief Counsel Matters***THERE ARE NO ITEMS FOR THIS MATTER***ADMINISTRATIVE SESSION****N. Consent Agenda..... Ms. Pellegrini****N1** Approval of Board Employee Retirement Resolutions

- John K. Chan
- Richard L. Evans
- Stephen J. Foti
- Roy David Graham
- Hae-Hong Joo
- Horace Reese, Jr.

**N2** Approval of Board Retirement Resolution

- Arnold R. Fontes

**N3** Approval of extensions of time to complete and submit 2005-06 Local Assessment Rolls pursuant to Revenue and Taxation Code section 155 granted to Yolo County.**O. Approval of Board Committee Minutes**

- O1 Property Tax Committee
- O2 Legislative Committee Minutes of March 22, 2005

**P. Other Administrative Matters****P2** **Executive Director's Report.....Mr. Hirsig**

Executive Director's opportunity to report on matters of interest to the Board.

1. E-File Program Update

**P3 Interagency Agreement Over \$1 Million..... Ms. Zentner**

1. Department of Motor Vehicles (DMV)
  - This contract provides for DMV to collect sales, use and transit district taxes relating to vehicles and/or vessels.

**P4 Legal Department Reorganization.....Ms. Cazadd****P5 Offers-in-Compromise Recommendations.....Ms. Ograd**

1. Wilfredo Castillo
2. Brian Draper
3. Chris and Gail Randall
4. Curtis Tarpley

**ANNOUNCEMENT OF CLOSED SESSION..... Ms. Pellegrini****Q. Closed Session**

- Q1 Pending litigation: *barnesandnoble.com llc v. State Board of Equalization*  
Santa Clara County Superior Court Case No. 104CV032426 (Govt. Code § 11126(e))
- Q2 Discussion and action on personnel matters (Govt. Code § 11126(a))

**OPEN SESSION****ADJOURN**

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Deborah Pellegrini, Chief  
Board Proceedings Division

\* Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.

\*\* Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.

"CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.

Agenda items occur sequentially. When circumstances warrant, the Chair may modify the order of items as they appear on the agenda. The hearing location is accessible to the disabled. If you require special assistance, please contact Gary Evans at (916) 445-4394, or e-mail [Gary.Evans@boe.ca.gov](mailto:Gary.Evans@boe.ca.gov), to make special arrangements.